

Message Text

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ACTION EUR-12

INFO OCT-01 NEA-10 IO-13 ISO-00 AID-05 CEA-01 CIAE-00
COME-00 EB-08 FRB-03 INR-10 NSAE-00 SP-02 STR-07
TRSE-00 LAB-04 SIL-01 OMB-01 L-03 H-01 SS-15
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FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC 8323
INFO ALL EC CAPITALS
AMEMBASSY CAIRO
AMEMBASSY TEL AVIV
USMISSION GENEVA
USMISSION USUN NEW YORK

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USEEC

PARIS ALSO FOR OECD

E.O.11652:N/A
TAGS: EEC, EGEN, ETRD
SUBJECT: EC POLICY ON ARAB BOYCOTT

REF: 77 EC BRUSSELS 2132
1. MISSION OFFICER HAS LEARNED FROM ISRAELI MISSION AND
EC COMMISSION SOURCES THAT COMMISSION IS PRESENTLY WORKING
ON TWO ASPECTS OF THE ARAS BOYCOTT ISSUE. THE DIRECTORAT
GENERAL FOR COMPETITION, DG IV, IS INVESTIGATING TWO
CASES OF ALLEGED COMPLIANCE WITH THE BOYCOTT BY EC FIRMS.
BOTH THESE CASES INVOLVE TERTIARY BOYCOTTS (COMPETITION
OFFICIALS BELIEVE THEY HAVE NO AUTHORITY OVER SECONDARY
BOYCOTTS). ACCORDING TO ISRAELI MISSION SOURCES, A UK
FIRM (FRENCH AND CO.) AND A DUTCH FIRM ARE INVOLVED IN
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ONE OF THE CASES. NO US FIRMS OR SUBSIDIARIES ARE
REPORTED TO BE INVOLVED. DG IV INVESTIGATORS WERE
RELUCTANT TO DISCUSS DETAILS OF THE CASES AT THIS POINT
BUT SAID THAT THE CASES WERE AN INDICATION THAT THE
COMMISSION MAY INTEND TO GET TOUGH ON THE ARAB BOYCOTT,
AT LEAST INsofar AS IT AFFECTS INTRA-EC TRADE.

2. IN AN UNRELATED DEVELOPMENT, THE COMMISSION HAS TAKEN UP A BOYCOTT COMPLAINT BY THE FRENCH DELEGATION TO THE PERMANENT COMMITTEE OF THE CHAMBERS OF COMMERCE AND INDUSTRY OF THE EEC. THE FRENCH DELEGATION IS SPONSORING A DRAFT RESOLUTION OF THE COMMITTEE WHICH WOULD CALL ON THE COMMISSION TO ENFORCE EC RULES REGARDING CERTIFICATES OF ORIGIN AND TO REMIND THIRD COUNTRIES OF THE SERIOUSNESS OF MAKING EXECUTION OF COMMERCIAL TRANSACTIONS DEPENDENT ON REQUIREMENTS WHICH ARE CONTRARY TO INTERNATIONAL LAW. AS THE DRAFT RESOLUTION INDICATES, THE FRENCH DELEGATION IS CONCERNED BY A REPORTED RECENT EFFORT BY ARAB IMPORTING COUNTRIES TO ENFORCE THE BOYCOTT MORE STRICTLY BY (1) REQUIRING THAT CERTIFICATES OF ORIGIN BE DELIVERED BY A "MIXED" ORGANIZATION DESIGNATED BY THE IMPORTERS, THEREBY BYPASSING THE ESTABLISHED CHAMBERS OF COMMERCE, AND (2) DEMANDING THAT THE EXPORTER MENTION ON THE CERTIFICATE OF ORIGIN ELEMENTS UNRELATED TO THE NOTION OF ORIGIN, E.G. NEGATIVE ASSURANCES AND THE NAMES OF PRODUCT MANUFACTURERS WHEN THIS IS DIFFERENT FROM THE SENDER.

3. THE DRAFT RESOLUTION REGRETS THIS ATTEMPT TO CIRCUMVENT NORMAL COMMUNITY REGULATIONS, WHEREBY ORGANIZATIONS DULY RECOGNIZED BY THE STATE HAVE SOLE RESPONSIBILITY FOR ISSUANCE OF EC CERTIFICATES OF ORIGIN AND ON WHICH ADDITIONAL INFORMATION SHOULD BE LIMITED TO THE STRICT MINIMUM AS DECIDED BY THE MEMBER STATE AUTHORITIES. THE LIMITED OFFICIAL USE

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COMMISSION IS EXPECTED TO MAKE A STATEMENT ON THIS RESOLUTION IN THE AUTUMN, WHICH WILL PROBABLY RESTATE ITS GENERAL OPPOSITION TO BOYCOTT PRACTICES AND CALL ON MEMBER STATES TO ENFORCE COMMUNITY CERTIFICATE OF ORIGIN PROCEDURES.

4. FRENCH TEXT OF DRAFT RESOLUTION BEING POUCHED TO EUR/RPE - LA MANTIA. HINTON

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